

FISCAL NOTE

SB 1257 - HB 1900

April 19, 2005

SUMMARY OF BILL: Requires the Department of Health to identify and make payments to disproportionate share hospitals that provide above average amounts of charity of TennCare services. Requires the Commissioner of the Department of Finance and Administration to determine the distribution of funds and make payments quarterly.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

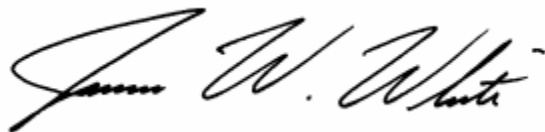
Other Fiscal Impact – The Governor's Proposed Budget for Fiscal Year 2005-06 includes \$100,000,000 for the Bureau of TennCare to continue hospital payments which were funded in the current year from non-recurring funds.

Assumptions:

- The responsibilities of this bill are with the Department of Finance and Administration, Bureau of TennCare and not the Department of Health.
- Funds for the payments are included in the Governor's 2006 budget recommendation at the same level as those stipulated in the FY 2005 appropriations bill.
- This bill would provide such funds on a recurring basis.
- Could reduce the flexibility of the formula in future years. Any changes will be approved by the Centers for Medicare and Medicaid Services.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director